

APPROVED JANUARY 7, 2015

STATE OF MICHIGAN
CITY OF ALLEN PARK
RECEIVERSHIP TRANSITION ADVISORY BOARD
HEARING WEDNESDAY, DECEMBER 3, 2014
2:30 P.M.

ALLEN PARK CITY HALL
CITY COUNCIL CHAMBERS
16850 Southfield Road
Allen Park, Michigan 48101

PRESENT FOR RTAB:

R. Eric Cline, Department of Treasury
Suzanne Schafer, Department of Treasury
Joyce A. Parker, Department of Technology, Management & Budget
Kristine L. Barann
Frederick Frank

PRESENT FOR CITY OF ALLEN PARK:

Karen L. Folks, City Administrator
Robert E. Cady, Finance Director

Transcribed by: Marcia Ann Tomkiewicz CER 3654
MAT Court Reporting & Court Services #8338
(313) 278-4439

AGENDA

	<u>PAGE</u>
Call to Order	3
Approval of Agenda	4
Approval of RTAB Minutes	4
Old Business (none)	5
New Business	5
Resolutions from City Council 10/14/14	5
Resolutions from City Council 10/26/14	6
Resolutions from City Council 11/10/14	7
Resolutions from City Council 11/13/14	15
City Administrator Items	17
RTAB Business Items	23
Non-Action Items	28
City Administrator Report	29
RTAB Staff Update	31
Public Comment	33
Board Comment	40
Adjournment	41

1 Allen Park, Michigan

2 Wednesday, December 3, 2014 - at 2:29 p.m.

3 MS. SCHAFFER: Okay, let's call the meeting to
4 order. We'd like to do a roll call.

5 ROLL CALL

6 MR. CLINE: All right. Suzanne Schafer.

7 MS. SCHAFFER: Here.

8 MR. CLINE: Joyce Parker.

9 MS. PARKER: Here.

10 MR. CLINE: Kris Barann.

11 MS. BARANN: Here.

12 MR. CLINE: Frederick Frank.

13 MR. FRANK: Here.

14 MR. CLINE: All right. We do have a quorum.

15 MS. SCHAFFER: Okay. First thing I'd like to do is
16 apologize for the confusion over the time. The meetings are
17 posted for - for 2:00 - ^{2:30}~~2:00~~ p.m. And we - unfortunately,
18 when we sent out the - the appointment, we said 2:30. So,
19 that - that's our mistake. We're - make sure that it won't
20 happen in the future. So they are - future meetings are at
21 two o'clock.

22 I also want to remind the public to sign in if you
23 would like to speak during the Public Comment period. The
24 sign-up sheet is up front here, and along side that is a
25 copy of the Agenda for you to - to use. Anybody that wishes

1 to speak but doesn't sign in will not be recognized during
2 the Public Comment. So - so, please, take - take the time
3 and sign in.

4 APPROVAL OF AGENDA

5 All right. Next item on the Agenda is the
6 approval of - of the Agenda.

7 MS. BARANN: Motion to support the Agenda.

8 MS. SCHAFER: We have a motion to support the - the
9 Agenda.

10 MS. PARKER: Support.

11 MS. SCHAFER: Okay. All those in favor, say "aye."

12 RTAB BOARD: Aye.

13 MS. SCHAFER: Opposed?

14 RTAB BOARD: (No response).

15 MS. SCHAFER: Hearing none, the Agenda is approved.

16 Motion by Barann, support by Parker, to approve
17 the Agenda for the 12/3/14 RTAB meeting.

18 Approved unanimously.

19 APPROVAL OF RTAB MINUTES

20 MS. SCHAFER: Next item is the approval of the RTAB
21 Minutes for October 21st - (first) - 2014.

22 MS. PARKER: So moved.

23 MS. BARANN: I'll -

24 MR. FRANK: Second.

25 MS. SCHAFER: All those in favor, say "aye."

1 RTAB BOARD: Aye.
2 MS. SCHAFER: Opposed?
3 RTAB BOARD: (No response).
4 MS. SCHAFER: Hearing none, the Minutes from the
5 October 21st, 2014 RTAB meeting are approved.
6 Motion by Parker, support by Frank, to approve the
7 Minutes of the RTAB 10/21/14 meeting. Approved
8 unanimously
9 OLD BUSINESS
10 MS. SCHAFER: Next item on the Agenda is Old
11 Business. We have none, so we'll move on to New Business.
12 NEW BUSINESS
13 MS. SCHAFER: First item is the approval of
14 Resolutions and Ordinances for City Council meetings. The
15 first item would be the Regular City Council Meeting of
16 October 14th, 2014.
17 Mr. Cline, do you have anything?
18 MR. CLINE: Actually, as we reviewed - staff
19 reviewed this particular meeting, there are a couple of
20 business items that we didn't find anything - required any
21 additional scrutiny. So, we are recommending approval, but
22 I - actually, now let me retract one thing. I - I did get a
23 question regarding a contract with Liqui-Force that the City
24 signed, and there was a question about a budget amendment
25 that was referenced, and I believe that budget amendment is

1 executed by Ms. Parker when she was Emergency Manager; so
2 that's already been addressed. So, outside of that, we had
3 no questions on it, so we are recommending approval of all
4 the resolutions from this meeting.

5 MS. SCHAFER: And did the Board have any questions?

6 Okay.

7 MS. BARANN: Move to support.

8 MS. PARKER: Second.

9 MS. SCHAFER: All those in favor, say "aye."

10 RTAB BOARD: Aye.

11 MS. SCHAFER: Opposed?

12 RTAB BOARD: (No response).

13 MS. SCHAFER: Hearing none, the minutes are - or
14 the Council meeting for October 14th, 2014, is approved.

15 **Motion by Barann, support by Parker, to approve**
16 **the Resolutions from the Regular City Council**
17 **meeting of October 14, 2014. Approved**
18 **unanimously.**

19 MS. SCHAFER: The next item is the Regular City
20 Council Meeting of October 28th, 2014.

21 Mr. Cline, do you have any background information?

22 MR. CLINE: Again, just a couple of business items.
23 In this particular one, the City Council voted to receive
24 and file their annual audit, so that document was - was
25 adopted at this meeting. Treasury, I know, independently

1 will be looking at the audit. Our office had no particular
2 concerns of any of the actions taken at this meeting, so we
3 are recommending approval of all resolutions.

4 MS. SCHAFER: Thank you.

5 Does the Board have any questions? No?

6 MR. FRANK: No.

7 MS. SCHAFER: I'll entertain a motion.

8 MS. PARKER: So moved.

9 MS. BARANN: Support.

10 MS. SCHAFER: All those in favor, say "aye."

11 RTAB BOARD: Aye.

12 MS. SCHAFER: Those opposed?

13 RTAB BOARD: (No response).

14 MS. SCHAFER: Hearing none, the motion is approved.

15 **Motion by Parker, support by Barann, to approve**
16 **the Resolutions from the Regular City Council**
17 **meeting of October 28, 2014. Approved**
18 **unanimously.**

19 MS. SCHAFER: The next item is the Regular City
20 Council Meeting of November 10th, 2014.

21 Mr. Cline, any background information?

22 MR. CLINE: At this meeting, there were, again,
23 several items of significance. The City Council did
24 authorize the purchase of some new police cars. There was
25 an abun (sic) - budget amendment approved to account for the

1 emergency loan received from - from the State. There were
2 some actions taken regarding a judgment levy issued by the
3 courts, and an agreement with Wayne (sic) County regarding
4 some IT technology for - for the acceptance of credit cards.
5 And I just provide this for background purposes. Reviewed
6 those items; no particular concerns about any of those
7 activities. So, again, I'm recommending approval of - of
8 the resolutions from this meeting.

9 MS. SCHAFER: Any questions from the Board?

10 MS. PARKER: Yes. In reference to the budget
11 amendments, are the budget amendments going to be submitted
12 to the State Treasurer, or did - did the amendments occur
13 prior to the EM leaving?

14 MR. CLINE: No, they did not. They - they occurred
15 at this meeting. I would have to check. I did not
16 personally see those budget amendments before they were
17 adopted by the Council, so I would have to - to check on
18 that. And I will - well, I will address -

19 MS. PARKER: Yeah, I would -

20 MR. CLINE: - some of the - the - well, there's a
21 - there's a procedural process that we had to use to prepare
22 for this meeting that - that sort of limited some of our
23 ^{follow-up} follow-up; but I can look into that. Now, I guess the
24 question would be do you want to approve that budget
25 amendment today, or do you want to single that out and

1 postpone it?

2 MS. PARKER: I'd - I'd like to get more information
3 in reference to the funding related to the amendments,
4 whether the funding is included right now in the existing
5 budget or if we're talking about taking funds out of the
6 City's general fund balance.

7 MR. CLINE: Okay.

8 MS. PARKER: So, if you know. If - if we could get
9 that information before taking action, I think it would be
10 helpful.

11 MR. CLINE: All right. Let's see, that would be
12 November the 10th. So then what I would recommend is that
13 the Board - I don't want to put words in your mouths -
14 mouth -

15 MS. PARKER: Feel free.

16 MR. CLINE: - Ms. Parker, but I would recommend
17 that the Board approve all of the resolutions from the
18 November 10th meeting, with the exception of the budget
19 amendment regarding the emergency loan; and then, we'll deal
20 with that in a separate - procedurally, address that as a
21 second - second motion, if that's acceptable to everyone.

22 MS. BARANN: I'll move that. I just had one quick
23 question on the - the IT services.

24 MR. CLINE: Yes.

25 MS. BARANN: Wayne County or Oakland County? It's

1 Oakland County?

2 MR. FRANK: Oakland.

3 MR. CLINE: Wayne (sic) County.

4 MS. BARANN: Oakland County.

5 MR. FRANK: Oakland County -

6 MS. BARANN: Oakland County.

7 MR. FRANK: - I believe.

8 MS. BARANN: Okay. I just want to make sure.

9 MS. PARKER: Yeah, and on the IT services, could

10 someone -

11 MR. CLINE: I'm sorry. Yes, it is.

12 MS. PARKER: Yeah. Could someone from the City

13 maybe discuss the amount related to the agreement with Wayne

14 (sic) County, how much the City will be charged for the

15 service?

16 MS. BARANN: And was it budgeted.

17 MS. PARKER: And was it budgeted; that's correct.

18 MS. FOLKS: There will be, actually, no charge to

19 the City because the way it works - first of all, I just

20 want to make sure that we're talking about the interlocal

21 agreement that would be with Oakland County, not Wayne

22 County. And it's through their IT services, and the way

23 it's set up - and I have to applaud Maureen Armstrong for

24 being the lead on this - and that is that there are fees to

25 the use of this product, if you will, but the fees are

1 charged to the individuals who use it. And so, I'm not sure
2 if Maureen is here. I'd like to give you the actual
3 percentage amount and I want to say it is - it's somewhere
4 around 2-percent that I think is charged as the - the fee.
5 But that does come out of what is paid by the individual
6 that's using the - the service.

7 MS. BARANN: So the City won't have any maintenance
8 charges or anything. It's all a hundred percent assumed by
9 the user.

10 MS. FOLKS: Technically, I - I think the way this
11 is going to work is there is an annual charge of \$900.00;
12 however, that \$900.00, it's subsumed in the fees -

13 MS. BARANN: Okay. So it's not -

14 MS. FOLKS: - that are charged. And so, what
15 they're indicating is that is the approximate amount and
16 that's taken from the user fee that is attached to the use
17 of the credit cards. Does that help?

18 MS. PARKER: So - so just to summarize then, the
19 \$900.00 that's charged to the City is recovered through the
20 fees charged to the users?

21 MS. FOLKS: That's correct. That's correct.

22 Anything else?

23 MS. SCHAFER: Any other questions from the Board?

24 MR. FRANK: So, the - I happened to have talked to
25 one other community in Oakland County that uses this.

1 They're happy. I don't know what - I know that the
2 Treasurer did her due diligence on this, and I guess the
3 question is it seems reasonable, but I will ask you: Is it
4 reasonable to expect that that \$900.00 will be easily - will
5 be - will - will be recovered each year by users who use
6 credit cards?

7 MS. FOLKS: I expect that that would happen, yes.

8 MR. FRANK: Thank you.

9 MS. SCHAFER: Does the Board have any other
10 questions?

11 MS. BARANN: No.

12 MS. PARKER: No.

13 MS. BARANN: I go ahead to move the - for the
14 approval of all resolutions outstanding the budget
15 amendment.

16 MS. PARKER: Support.

17 MS. BARANN: Was it said the way you said?

18 MS. SCHAFER: With the exception of the - the
19 resolution to the emergency loan?

20 MS. BARANN: No, the budget amendments.

21 MS. SCHAFER: The - okay.

22 MR. CLINE: The budget amendment -

23 MR. FRANK: Which -

24 MR. CLINE: - for the emergency loan -

25 MS. BARANN: Oh, yes; okay.

1 MR. FRANK: Right.

2 MR. CLINE: - just - just for the record, that's

3 Resolution 14 (dash) 170 (sic).

4 MS. BARANN: Thank you.

5 MS. PARKER: Just move to -

6 MR. FRANK: I believe it's (dash) 171 -

7 MS. SCHAFER: There's -

8 MR. FRANK: - for the budget amendment, you know,

9 and -

10 MS. SCHAFER: One-seventy -

11 MR. CLINE: You're correct.

12 MS. SCHAFER: One-seventy-one.

13 MR. CLINE: Yeah, I have -

14 MR. FRANK: One-seventy is the budget amendment -

15 MR. CLINE: One - yes.

16 MR. FRANK: - for the -

17 MR. CLINE: You're correct.

18 MR. FRANK: - Tribunal -

19 MR. CLINE: My apologies. One-seventy-one.

20 MR. FRANK: - judgment. No problem. Thank you.

21 MS. SCHAFER: So do we want to restate the motion?

22 MR. CLINE: And I believe just for clarity, it's

23 one-seven - Resolution 171, but we know the subjects are -

24 MS. SCHAFER: Okay.

25 MR. CLINE: - are the same. That's okay.

1 MS. SCHAFER: All right. Do I have a - support for
2 the motion?

3 MR. CLINE: It's supported by Ms. Parker.

4 MS. SCHAFER: Okay. I'm sorry.

5 All - all those in favor, say "aye."

6 RTAB BOARD: Aye.

7 MS. SCHAFER: Opposed?

8 RTAB BOARD: (No response).

9 MS. SCHAFER: Hearing none, the motion is approved
10 with the exception of Resolution 14 (dash) 171.

11 Motion by Barann, support by Parker, to approve
12 the Resolutions from the Regular City Council
13 meeting of November 10, 2014, with the exception
14 of Resolution 14-171 (budget amendments).

15 Approved unanimously.

16 MR. CLINE: Madame Chair?

17 MS. SCHAFER: Yes.

18 MR. CLINE: If I may, what we've done in other
19 RTABs now procedurally, since you've isolated that issue, we
20 have to address it. So I would recommend that the Board
21 vote to postpone consideration of this resolution until the
22 next meeting.

23 MS. SCHAFER: Do I have a motion to postpone the
24 resolution - action on the Resolution 14 (dash) 171 until
25 the next meeting?

1 MR. FRANK: So moved.
2 MS. PARKER: Support.
3 MS. SCHAFER: All those in favor, say "aye."
4 RTAB BOARD: Aye.
5 MS. SCHAFER: Opposed?
6 RTAB BOARD: (No response).
7 MS. SCHAFER: Hearing none, that motion is
8 approved.
9 Motion by Frank, support by Parker, to postpone
10 the approval of Resolution 14-171 until the next
11 RTAB meeting. Approved unanimously.
12 MS. SCHAFER: All right. The next item on the
13 Agenda is the Special City Council Meeting of November 13th,
14 2014.
15 Mr. Cline, can you provide us with background
16 information, please?
17 MR. CLINE: Yes, this was a meeting that took place
18 when the City Council met with some of the advisors
19 regarding debt restructuring and addressing a number of bond
20 issues that they have. They voted to move forward with -
21 they came out of a closed session and they voted to take
22 action to move forward as - as had been discussed in the
23 closed session. The procedural process seemed - seemed
24 adequate, and based upon that, we are recommending approval
25 of - of those actions from this meeting.

1 MS. SCHAFER: Does the Board have any questions?
2 MR. FRANK: I do. So, as I understand it is the -
3 there are motions that we - the resolution we're approving
4 is the purchase of the police -
5 MR. CLINE: No, sir. This would be -
6 MR. FRANK: - so the fee -
7 MR. CLINE: - the - this would be the November
8 13th meeting.
9 MR. FRANK: That's what I'm looking at. First
10 motion is the - resolved to proceed with (one-eighty)? Is
11 that the one? Proceed with the - Barann, from November
12 13th?
13 MS. BARANN: Yeah, this is the - this is the 13th's
14 meeting?
15 MR. FRANK: Right.
16 MS. BARANN: Okay.
17 MR. FRANK: Some -
18 MS. BARANN: This one actually belongs into the
19 previous meeting.
20 MR. FRANK: Okay. Yep, I had my question answered.
21 I had one from the other one.
22 MS. BARANN: Yeah. It's on the wrong side.
23 MR. FRANK: Yeah.
24 MS. BARANN: I'd move to support (sic).
25 MR. CLINE: Well, actually, we have - don't have a

1 motion yet.

2 MS. BARANN: Oh, I'm sorry. I move.

3 MR. CLINE: Right.

4 MS. BARANN: So moved.

5 MS. PARKER: Support.

6 MS. BARANN: I really wanted to say that. I mostly
7 do it, but one time.

8 MS. SCHAFER: Okay. All those in favor, say "aye."

9 RTAB BOARD: Aye.

10 MS. SCHAFER: Opposed?

11 RTAB BOARD: (No response).

12 MS. SCHAFER: Hearing none, the mo - the motion is
13 approved.

14 Motion by Barann, support by Parker, to approve
15 the Resolutions from the Special City Council
16 meeting of November 13, 2014. Approved
17 unanimously.

18 MS. SCHAFER: The next item on the Agenda is the
19 City Administrator Items, the monthly financial report.

20 Mr. Cline.

21 MR. CLINE: Well, typically, in a - in a RTAB, we
22 would turn this information over to the city staff and allow
23 them to present the monthly financial report as required by
24 the - by the last emergency manager order. So, I guess I
25 would defer to Ms. Folks and her staff for this.

1 (Brief pause)

2 MR. CLINE: I will note that they did provide a
3 written report dated November 5th, I believe? Yes.

4 MS. FOLKS: You should - you should have in your
5 packet of materials actually a couple of financial reports,
6 and hopefully, you've all received those. There is a
7 narrative that summarizes the information, and with your
8 permission, I'd like to have Bob Cady, who is the Finance
9 Director, share that with you at this time.

10 MS. SCHAFER: Okay.

11 (Brief pause)

12 MR. CADY: Okay. You should have the November
13 reports which include a narrative which explains anything
14 that's over the threshold, the 20-percent threshold.
15 That's a 1-page document. Also included, you're getting the
16 revenue expense report for the month, the balance sheet for
17 the month, and also a cash flow statement for that month. I
18 can go through the - the letter and then you can ask any
19 questions if you'd like, or you can just shoot me questions
20 now if you'd like, either way.

21 As of November 5th, so the months (sic) of October
22 is what we're talking about, with the exception of a few
23 departments, everybody fell in line and basically we're at -
24 we were at that time about 4/12ths of the - by the way
25 through the month (sic), or 33-percent. The - the out - the

1 things that were outstanding were the - the budget
2 amendments, which we've already talked about, which included
3 the \$2.6 million, a budget amendment, so that we could show
4 that revenue coming in from the emergency loan; and the
5 other budget amendment to show the .61 mills that was court
6 ordered as a judgment levy in May to pay the MTT, Michigan
7 Tax Tribunal judgment, back to Ford Motor. So, a budget
8 amendment was necessary to show that revenue. Even though
9 we're getting the money, we have to amend the budget or else
10 the budget would be really inflated and there wouldn't be
11 enough money there to show it, to account for it.

12 The - the accounts that were over the 20-percent
13 threshold were the Mayor, Council, the City Clerk, Assessor,
14 Finance, Police/Fire, DPW, and Parks & Rec. The reason for
15 that was because of the payment out of those funds to PNC
16 Bank for the pension payment. In other words, when the -
17 the liability is out there for the \$2.6 million, when we
18 paid that back, it hit those departments. And without a
19 budget amendment for those departments, it basically - like,
20 for example, Mayor and Council, it was 78-percent of their
21 budget to pay that; so that's why you need the budget
22 amendment to account for that.

23 The other one - and - and Recreation is the - is
24 the Parks & Recreation grant for a hundred and sixty
25 thousand dollars that they got for replacing the equipment

1 in, I believe, four parks, that money had to be spent up
2 front and then we get that money back from Wayne County.
3 Once that's - once that comes back in, that - the Recreation
4 Department will be back in line.

5 Pension payments were all made for October, and as
6 the report suggests, we're still working to refinance the
7 Southfield Lease Property debt.

8 As of the end of November - or I'm sorry -
9 October, we had collected 73.9-percent of the revenue in the
10 budget pending those budget amendments, which would drop
11 those numbers, and we've expended 50.2-percent compared to
12 budget on the expense side. And again, those numbers will
13 go down once the budget amendments are approved.

14 Any questions?

15 MS. BARANN: Nope.

16 MS. PARKER: Just - just a question on the pension
17 amount -

18 MR. CADY: Hm-hmm.

19 MS. PARKER: - that \$2.6 million was from previous
20 years, so what's - what's the - the relationship to the \$2.6
21 million to this year's budget?

22 MR. CADY: The - the money was recorded in this
23 year's budget. If you'll remember, we got the emergency
24 loan in - I think it was August.

25 MS. PARKER: Okay.

1 MR. CADY: So it's part of this year's fiscal year.
2 We - we - we have to bring that into - it's to a line item,
3 so we need a budget amendment to account for that money
4 coming in. On the - on the expense side, we need to account
5 for the money being spent and sent to PNC Bank. We had no
6 budget line items for those as the budget was developed -
7 MS. PARKER: Okay.
8 MR. CADY: - before that was accounted for. So
9 that's the reason for those - for that budget amendment.
10 MS. PARKER: Okay. So, the question I was raising
11 earlier with the budget amendment, you know, with the
12 Treasurer's approval, is the question of whether the amount
13 was coming out of the general fund balance or not, and it
14 doesn't sound like that's the case -
15 MR. CADY: No.
16 MS. PARKER: - at all.
17 MR. CADY: All - all we're trying to do with the
18 budget amendment -
19 MS. PARKER: You're just trying to -
20 MR. CADY: - is amend the budget -
21 MS. PARKER: - bring those dollars in.
22 MR. CADY: - to show that money coming in and the
23 money going out.
24 MS. PARKER: Right.
25 MR. CLINE: Okay.

1 MS. PARKER: Okay.
2 MR. CLINE: So - well, if that -
3 MS. SCHAFER: Do we want to make a -
4 MR. CLINE: - we - we can follow-up
5 MS. PARKER: Okay.
6 MR. CLINE: - and we can - we can just make sure
7 your concerns are addressed; and then I think we'll probably
8 be okay until waiting until the next meeting to get that for
9 an approval. So -
10 MS. PARKER: Okay.
11 MR. CLINE: - just to make sure that we have
12 everything covered.
13 MS. SCHAFER: Does the Board have any more
14 questions for Mr. Cady?
15 Okay. I'll entertain a motion to receive and file
16 the report.
17 MR. CADY: Thank you.
18 MS. SCHAFER: Thank you.
19 MS. BARANN: So -
20 MR. FRANK: So moved.
21 MS. BARANN: I support that.
22 MS. SCHAFER: All those in favor, say "aye."
23 RTAB BOARD: Aye.
24 MS. SCHAFER: Opposed?
25 RTAB BOARD: (No response).

1 MS. SCHAFER: Hearing none, the motion is approved.
2 Motion by Frank, support by Barann, to receive and
3 file the Financial Report dated 11/5/14 as
4 presented. Approved unanimously.

5 MS. SCHAFER: The next item of business is the RTAB
6 Business Items, process for the City payroll approval. And
7 for this, I will ask Mr. Cline to plea - please provide
8 information regarding this issue.

9 MR. CLINE: Yes.. We have a couple issues here that
10 - actually, we're gonna have to work with the City to - to
11 kind of address - because of - there are certain differences
12 between all of the different communities in the state that
13 have receivership boards, and in this particular community,
14 payroll - and as we'll see in a moment - claims and accounts
15 are approved by the City Council, which would then require
16 our approval - or excuse me - the Board's approval to affirm
17 with paying those. Now, this is a very similar situation
18 with what exists in the city of Ecorse, and that particular
19 board has set up a - a process by where a certain
20 percentage, I believe it's 125-percent of an average
21 payroll, is given to the city as preapproval that that can
22 be paid ahead of time without RTAB approval, and then
23 certain vendors are - having been identified as getting
24 preapproval to pay those bills so the city doesn't suffer
25 like shutdown of utilities or extra costs, or anything like

1 that. That type of condition we didn't really prepare for
2 here, and I must admit that - that it's sort of my - my miss
3 on that because the other communities that I work with, we -
4 we have totally different systems; so I just wasn't
5 accounting for that in - in our preparations. So, what
6 we're gonna have to do, and I believe we're bringing this
7 back for a January meeting, is we're gonna have to work out
8 some sort of process with the City. I'm sort of envisioning
9 how they - how they work it in Ecorse to make sure that they
10 don't have any undue hangup of bills or payroll, and they're
11 still making payroll. I think for - regarding the -
12 specifically, the payroll issue, I think the Board - I would
13 recommend that the Board authorize the City to continue
14 making payroll until we finalize any - any process. We want
15 to make sure all issues ^{are} covered, and - and then we would get
16 - and I'll just skip ahead, and I guess, separate the - to
17 the claims and accounts. I think we would want to authorize
18 them to - to pay those critical, time-sensitive claims and
19 accounts so they're not running into any problems; and then
20 we'll get something resolved between now and then, and - and
21 get that back to the Board for approval and get a process
22 addressed. So, that was something that came to our
23 attention very late in the organizational process and we
24 just - with the holidays and everything, we just didn't have
25 time to - to address it with - with the City prior to this

1 meeting.

2 So, I hope that's clear to everyone, and if

3 there's any questions, I'll try and answer them at this

4 point.

5 MS. BARANN: So, do you need a motion from us?

6 MR. CLINE: I think it would be appropriate to -

7 at least for the - for the payroll issue to grant

8 authorization to - for the City to make all necessary

9 payrolls between this meeting and our January meeting.

10 MS. SCHAFER: Do we have a motion?

11 MS. BARANN: Can we wrap payables into that

12 resolution?

13 MR. CLINE: Since I have them listed -

14 MR. FRANK: The other side -

15 MR. CLINE: - since we put in a separate Agenda

16 items, I think -

17 MS. BARANN: Do separate? Okay.

18 MR. CLINE: Yeah.

19 MR. FRANK: So I'll move that we approve to advance

20 the City's payroll between now and our next Board meeting -

21 MR. CLINE: Okay.

22 MR. FRANK: - and the payments should be made in

23 the ordinary course for payroll.

24 MS. PARKER: Support.

25 MS. SCHAFER: Okay. All those in favor, say "aye."

1 RTAB BOARD: Aye.

2 MS. SCHAFER: Opposed?

3 RTAB BOARD: (No response).

4 MS. SCHAFER: Hearing none, the motion's approved.

5 Motion by Frank, support by Parker, to approve the

6 City of Allen Park to advance payroll and allow

7 the City to make payroll in the ordinary course

8 from the present time until the RTAB meeting in

9 January 2015. Approved unanimously.

10 MS. SCHAFER: And the second item is Process for

11 Claims and Accounts.

12 MR. CLINE: Right. We sort of have a similar

13 issue. I think it would be important for the City to have

14 authorization to make those necessary - pay those necessary

15 bills and claims between now and the next meeting that -

16 that cause them undue hardship if they do not make them.

17 And then, we will try and get a process in place for your

18 consideration at the next meeting.

19 MS. SCHAFER: Any questions from the Board?

20 MR. FRANK: So - so it's our intent between now and

21 the next Board meeting for Treasury staff and the City

22 Administrator and/or Finance Director to work out a - sort

23 of process to move forward after -

24 MR. CLINE: We would -

25 MR. FRANK: - an ongoing forward basis?

1 MR. CLINE: Yes, the - the RTAB is still charged
2 with reviewing -

3 MR. FRANK: Yes.

4 MR. CLINE: - expenditures, but we want to make
5 sure that the time between our meetings doesn't cause any
6 financial -

7 MR. FRANK: Right.

8 MR. CLINE: - hardship for the City. So, what
9 they've done in Ecorse is they've set up a system where
10 certain vendors that they know that there could be a penalty
11 for late payments or something, they grant preapproval to
12 and - those are filed under a separate report; and then
13 anything else that can wait that still needs RTAB approval
14 is reviewed and - and considered independently at the Board
15 meeting. I'm looking at, probably, recommending something
16 similar, but we need to be able to talk with the City to
17 identify some of those vendors. And that's somewhat of a
18 fluid process, but as it change - you know, vendors can
19 change over time; but that - that is sort of the direction
20 that we're looking at at this point. So -

21 MR. FRANK: And -

22 MR. CLINE: - and as I said earlier that the other
23 communities that I work with, we - the way the - the process
24 works is totally different; so that was just something that
25 I didn't anticipate needing to - to review or have set up by

1 this meeting, so.

2 MS. PARKER: Will we receive some type of summary

3 related to the payments made?

4 MR. CLINE: Oh, yes. Yes, we'll make sure we get

5 all that covered, so.

6 MS. PARKER: Okay. So, I - I would move for the

7 approval of the sensitive payments -

8 MR. CLINE: Okay.

9 MS. PARKER: - until our next meeting when a

10 process will be identified.

11 MR. CLINE: Okay.

12 MS. BARANN: I'll support.

13 MS. SCHAFER: All those in favor, say "aye."

14 RTAB BOARD: Aye.

15 MS. SCHAFER: Opposed?

16 RTAB BOARD: (No response).

17 MS. SCHAFER: Hearing none, the motion is approved.

18 Motion by Parker, support by Barann, to approve

19 the City of Allen Park to make time-sensitive

20 payments on claims and accounts from the present

21 time until the RTAB meeting in January 2015.

22 Approved unanimously.

23 NON-ACTION ITEMS

24 MS. SCHAFER: The next item on the - the Agenda is

25 the Non-Action Items. The first item would be the City

1 Administrator Report.

2 MS. FOLKS: What I'd like to do is share with you
3 just a couple of items that do in fact have some financial
4 impact. First of all, we've been working on the 5-year
5 rolling budget and the 6-year capital improvement plan, so
6 that we've been meeting with each of the departments and we
7 would have at least a draft ready at the end of this month.

8 Second of all, I wanted to make mention of the
9 fact that under - Order 49 has to do with putting in place
10 the benefits plan, and I believe part of that order
11 indicated that certainly when necessary amendments can be
12 made administratively, if you will. As we begin to try to
13 implement the provisions that are contained in the benefits
14 plan, the HR Director was in touch with MERS. And under one
15 of the provisions, MERS indicated that they cannot
16 accommodate it the way it is and that would be under the
17 defined contribution; and if you'd look at the orders, it's
18 contained right in that, the entire benefits plan, on page
19 13. I'm looking at paragraph 6 which references employees
20 hired on or after July 1st of 2014. And the way it read and
21 the - the - the way in which it was put into place to begin
22 with is it indicated that employees leaving city service
23 with less than 7 years of total service shall receive a
24 return of the employee's own contributions plus earnings, if
25 any, in accordance with the provisions of the retirement

1 plan. And there was a followup paragraph to that under 7.
2 And what MERS indicated is that they don't - they can't
3 accommodate it for 7 years; they accommodate it up to 5
4 years. So, presently, we are in the process of doing the
5 appropriate amendments, and what the HR Director is involved
6 in right now is the process of filling out the new adoption
7 agreement and then submit it back to MERS to reflect the 5
8 years rather than the 7 years so that it falls within their
9 capabilities and - and they will create that division for
10 us. So I wanted to make mention of that.

11 Also, with the August 11th flood that took place,
12 we have been working with our MML insurance carrier on all
13 of that, as well as our DPS Director has been the point
14 person for our FEMA claims. And the insurance adjustor has
15 now completed the investigation of the claims regarding the
16 Roush space and the Stautzenberger space, and I make mention
17 of this because it took place several days - about a week -
18 two weeks prior to the closing on the sale of the Southfield
19 - these properties to Time Equities. And so, those claims
20 are claims that we put in. And what we have done is we have
21 shared that with Time Equities. Time Equities actually had
22 another company take a look at one specific item that had to
23 do with flooding and the integrity of a flooring slab, and
24 the company is called Cardinal. So, they have provided that
25 information now to the insurance company for their

1 consideration to see if that's something that they
2 overlooked that should be included.

3 Then the - the other piece to this are the FEMA
4 claims. When we first started working with FEMA, the idea
5 was to put in the claims as four separate claims; easier to
6 manage that way. So, the claims include the pump stations,
7 and primarily there is - there are two. There's the one on
8 Goddard, and then the other one is actually over at Baker.
9 And, so that would be one of the claims. Another claim
10 would be the - or - reimbursement for the personnel that
11 were involved, and so, that's DPS, that's police, that's
12 fire. Third would be - there was the increase in the
13 garbage/trash removal; so that would be the third claim.
14 The fourth claim covers the property that we know as the
15 Southfield Lease Properties.

16 And so, we are getting ready to finalize with FEMA
17 those first three, and I believe we have until December 14th
18 to complete any further information on that fourth claim; so
19 we are working on that.

20 That's about all I have. Thank you.

21 MS. SCHAFER: Okay. The next item is the RTAB
22 Staff Update.

23 Mr. Cline.

24 MR. CLINE: Yeah. Just a couple of - sort of
25 internal business items that I just wanted to draw to your

1 attention. Since this is really our first meeting, we - we
2 have a couple of usual sort of wrinkles to work out as far
3 as timing and - and everything, and I think we need to talk
4 to the - to the City Administrator after the meeting. I
5 think I unduly caught them a little off guard with some of
6 the financial reports and everything we asked them to
7 present. So, unfortunately, we - we had a very narrow
8 window between the holidays and the deadline of when the
9 information was due to prepare for this meeting. So, some
10 of the questions that you've had, hopefully, we'll be a
11 little - be on top of ahead of time in the future. But,
12 that was just one of the unfortunate things with this
13 particular meeting. And our office, we - we simultaneously
14 prepared for all four RTAB communities within a 10-day
15 period, so that was a pretty - pretty wild week for us.

16 So - and also, we are working with the City to
17 clarify some of the - I guess how they - some of the
18 presentation in their - in their minutes to make the
19 information a little easier to - to identify as we - as we
20 review it. I think there are some - some things that they
21 can do to help us out in that regard a little bit, and maybe
22 improve the - the presentation of - of their minutes a
23 little bit. So, we're - we're still continuing to talk
24 about that, and just wanted to note that you'll start seeing
25 this staff update on our agendas. We're actually test -

1 testing out this - just to provide sort of background
2 information on - on RTAB procedures, so this is actually our
3 first time that we've actually done this. I don't know if
4 I'll have anything to report every meeting, but wanted to
5 just avail myself to the opportunity to kind of talk about
6 the - the processes as we go through this so you can kind of
7 know what information to expect from us, so.

8 MS. SCHAFER: Thank you.

9 PUBLIC COMMENT

10 MS. SCHAFER: The next item will be Public Comment.
11 Mr. Cline will get the list and - and call the names.

12 I'm calling the -

13 MR. CLINE: Oh, are you waiting -

14 MS. SCHAFER: - is that good?

15 MR. CLINE: - you want me to call the names? Okay,
16 I'm sorry. I did hear you say that.

17 All right. First name is Bryan Diebolt.

18 MR. DIEBOLT: Good afternoon. I'd like to talk
19 about the mistrust of government, and also what's
20 compounding the fact and inflaming it is the lack of what is
21 perceived to be full disclosure of the information that's
22 going on in the city; also, questions aren't answered,
23 citizens ignored, etcetera. It starts with - to give you
24 some examples, the previous mayor and city administrator
25 admitted lying to the people about the SLP properties, cost

1 us millions of dollars, continues to cost us millions of
2 dollars. In Dec (sic) - last - let's see, in August of
3 2013, there was a millage, a 10-year millage, \$50 million
4 dollars, and we were told at the time, with no uncertain
5 terms, that if the revenue exceeded the - excuse me - if the
6 surplus reserves exceeded the expenses by 10-percent, a
7 rollback of taxes would be in order. We hit that number
8 June of 2014. The next day, the rules were changed. The
9 agreement with the citizens and the trust with the citizens
10 was broken at that point in time. Another one - another
11 example, in May of last year, we were told that we had to
12 borrow \$2.6 million, had to borrow it in order to pay the
13 retirement fund and also part of the SLP properties. I
14 pointed out at the time their numbers - their numbers from
15 the meeting showed that they had the money to pay for it,
16 that they didn't need to borrow it. Our - the - our report
17 backs up what I had told them at the meeting. We have \$3.3
18 million in reserves, and yet we borrowed \$2.6 million. We
19 borrowed money for what reason? That question's still out
20 there. I also have a question of whether or not the
21 rollback still exists or not. That is a question that
22 hasn't been answered.

23 We asked for information about the land grants for
24 the property next door. Again, remember, we've been
25 deceived over the years from the administration of - by

1 Allen Park. We can't get our - any of that information. We
2 ask questions at the Council meetings; can't get any
3 answers. It seems like there's a deliberate attempt to keep
4 information from us. If that's not the case, then be more
5 forthcoming. Explain to the City Administrator to answer
6 our questions. We're not villains out here. We're
7 taxpayers. It's our money. We deserve to know what's going
8 on in the city. We need to be respected. We need to be
9 answered. And we need truthfulness -

10 (2-minute warning sounds)

11 MR. DIEBOLT: - when people come and talk to us.
12 Thank you.

13 MS. SCHAFER: Thank you.

14 (Applause)

15 MR. CLINE: Okay, I know how to use it.

16 Okay. Dennis Hayes.

17 MR. HAYES: For several weeks, we attempted to get
18 with a potential buyer for this property. Seems like they
19 always ended up in special meetings. Our citizens re -
20 request and even maybe demand that these kinds of critical
21 issues be televised, just as this meeting should be
22 televised. You should be speaking to the public of this
23 town, not just a handful that can leave work or don't work
24 that can be here.

25 Last night, for example, we finally had an

1 opportunity to see the potential purchaser's agent, the -
2 his general counsel. About an hour before the meeting, we
3 were provided this letter dated October 24th that spells out
4 critical financial data that we needed as a Council, if
5 we're gonna have any role, and I presume we don't have any
6 role. But if we in theory have a role, we should have had
7 this well before an hour before the meeting. October 24th;
8 I'm happy to leave it with you. And within this document,
9 there's a critical item. The CBRE says, "We have an offer
10 for the three acres at the back of the city park. It does
11 not have main road access, but it commands a price of
12 frontage access." In other words, that property - he has an
13 offer, apparently, for \$275,000.00 an acre, somewhere over
14 \$800,000.00, if you read this. Ask: Is there an offer? "I
15 don't know." Nobody knows. Maybe Joyce knows. I don't
16 know. Nobody knows. Well, if we're asked - if we had an
17 offer for three acres for almost eight hundred - over
18 \$800,000.00 and they wanted to give us nine hundred thousand ^{\$900,000}
19 for 11 acres, I'd say something's out of square,
20 particularly when that's in the back and this is frontage.
21 Now, conveniently, with this opinion of value, now we have
22 the opportunity to see that the prices have probably gone
23 up. And so, the Boji Group last night - and I don't know
24 what their connections are to the state, or the politicians
25 or anything else. I don't know anything about 'em; but it

1 seems like they're being shoved down our throat frankly.
2 Now they may be the people to do it; I don't know. But the
3 fact remains they did raise their - their price a little bit
4 last night, or they hinted that they would raise their price
5 a little bit. But this -

6 MS. SCHAFER: Mr. Hayes, I'm sorry, that's 2
7 minutes.

8 MR. HAYES: I didn't hear a bell go off. You had a
9 timer for the other guy. I - I insist on having a timer
10 just like Mr. Diebolt. I don't think that was 2 minutes.

11 MR. CLINE: It was 2 minutes, sir.

12 MS. SCHAFER: Thank you.

13 (Applause)

14 MR. CLINE: Andrea Hammond.

15 MS. HAMMOND: I have questions in regard to the
16 minutes that this RTAB produces. I have noticed on the
17 State Website that the City of Pontiac in their - their
18 minutes they show every comment that anybody gets up here to
19 speak. But, yet, that the - the draft of the minutes that
20 you just approved from the first meeting, it just shows the
21 names. I'd like to know is there going to be some
22 consistency for all of the RTAB boards within the State of
23 Michigan? The other - it - also, Ecorse has, in - in the
24 past, enunciated all of the comments by - by the - the
25 audience.

1 The City Administrator was talking about an order
2 and it - well, it needs to be amended if - for some reason.
3 I was a little bit unsure as to whose responsibility that is
4 for that amendment. I was under the understanding, and I
5 could be mistaken, that any orders that were written by the
6 previous EM have to be submitted to the State Treasurer's
7 office for approval, and - and then they can be amended,
8 that it's not just something that the City Administra -
9 strator (sic) can just go in and change; so I would like
10 clarification on - on that particular issue.

11 Also, I would like to know where in any of the
12 orders written by the - by Ms. Parker, when she was the
13 administrator (sic), where it specifically says that city
14 administrator is responsible for the agenda items for the
15 Council meetings. Council's pay was restored. Why? It -
16 was it a bribe so that they go along with everything that
17 the City Administrator puts on the agenda? That is their
18 meeting; that should be their agenda. Thank you.

19 (Applause)

20 MR. CLINE: Ray Magusin.

21 MR. MAGUSIN: Good evening, Ray Magusin, citizen of
22 Allen Park. I - I would like to see the same thing. I'd
23 like to know where on the order, what the order number is
24 where it states where our City Administrator goes ahead and
25 sets the agenda. We have a lot of citizens that give

1 information to our City Council. Our City Council tries to
2 get it on the agenda, and a lot of times it is not put onto
3 agenda or can't - or is hard to get on the agenda; so I'd
4 like to know where that order is.

5 Another thing what I'd like to see is for our City
6 Council, I'd like to see them adopt your agenda. Your
7 Agenda says, "Old Business"; it says, "New Business." Your
8 Agenda says, "Non-Action Items." Your Agenda says, "Public
9 Comments." Your Agenda also says, "Board Comments." We
10 don't have that on our agenda. There's no old business;
11 there's no new business; there's not even City Council
12 comments on our business (sic). Those are our elected
13 officials elected by us and I would like to see our city
14 officials to be able to start to take over our city. It's
15 time for our City Council and our Mayor to be able to start
16 to govern our city and that our - this - our - all - all of
17 a sudden, City Administrator's laws are thrown out and then
18 there's been - where our city's gonna have to start taking
19 over. We need that transition period. They need your help.
20 So I'd love to see where our City Administrator is granted
21 all these powers that our City Council and our Mayor
22 believes and even our -

23 (2-minute warning sounds)

24 MR. MAGUSIN: - lawyer believes is in place. Thank
25 you very much. Have a great day. Merry Christmas to you

1 all and a Happy New Year.

2 (Applause)

3 MS. SCHAFER: Thank you very much.

4 BOARD COMMENT

5 MS. SCHAFER: The next item is Board Comments. Do
6 we have any Board Comments?

7 MS. PARKER: Yes.

8 MS. SCHAFER: Just - Joyce.

9 MS. PARKER: All right. Just a couple of comments.
10 In reference to future meetings, it would be helpful if we
11 could, perhaps, get like a written report from the City
12 Administrator, and, you know, in doing so, we'll have an
13 opportunity to review it, you know, in advance of the
14 meetings.

15 And then secondly, as we talk about budget
16 amendments, given that we're into December, I would request
17 that the City consider some type of mid-year review related
18 to the budget to determine whether everything is on track or
19 not, or if there's a need for other budget amendments. And
20 as a result, everything can be submitted at the same time.

21 That's all I have.

22 MS. SCHAFER: Thank you.

23 MR. FRANK: So I do have one comment. I want to
24 apologize for being here at the 2:30 rather than 2:00 p.m.
25 because I looked at my Agenda and did not look at my

1 calendar in my phone. So, my apologies.

2 MS. SCHAFER: Thank you.

3 The only comment I have is I just want to remind
4 everyone that's - the minutes to the RTAB meetings will be
5 available - or are available on the City's Website so they
6 can be accessed through there. We had a - a question about
7 that earlier.

8 I also, again, would like to apologize for the
9 mixup in time. That was solely on - on Eric and I, so I
10 apologize.

11 ADJOURNMENT

12 MS. SCHAFER: With that, if there are no other
13 comments, then I will entertain a motion to adjourn.

14 MS. BARANN: Move to adjourn.

15 MS. PARKER: Support.

16 MS. SCHAFER: All those in favor, say "aye."

17 RTAB BOARD: Aye.

18 MS. SCHAFER: Opposed?

19 RTAB BOARD: (No response).

20 MS. SCHAFER: Hearing none, the meeting is
21 adjourned. Thank you.

22 Motion by Barann, support by Parker, to adjourn
23 the RTAB meeting of 12/3/14. Approved
24 unanimously.

25 (At 3:20 p.m., meeting concluded)

STATE OF MICHIGAN

COUNTY OF WAYNE:

I, Marcia Ann Tomkiewicz, certify that this transcript, consisting of 42 pages, is a true, complete and correct transcript, to the best of my ability, of the minutes of the hearing of the City of Allen Park Receivership Transition Advisory Board on December 3, 2014.

I also certify that I am not related or associated with any of the parties in this hearing.



December 8, 2014

MARCIA ANN TOMKIEWICZ CER 3654
MAT COURT RECORDING & COURT SERVICES
6225 Ardmore Park Circle
Dearborn Heights, MI 48127
(313) 278-4439